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TAGS: KPAO OPRC KMDR PREL

SUBJECT: MEDIA REACTION; US SUPREME COURT OF JUSTICE RULING ABOUT  
ARGENTINE DEBT; ARGENTINE DEBT TO PARIS CLUB; SUMMIT BETWEEN THE TWO  
KOREAS; 10/02/07

#### 11. SUMMARY STATEMENT

Today's key international stories include the US Supreme Court of Justice's ruling against two vulture funds that had requested an embargo of Argentine Central Bank reserves; IMF skepticism about Argentina's chances of reaching a fast deal with the Paris Club; and expectations about the Korean summit.

#### 12. OPINION PIECES AND EDITORIALS

- "The US Supreme Court of Justice rejects a request for the embargo of Argentine reserves"

Ana Baran, leading "Clarn's" Washington-based correspondent, comments (10/02) "The US Supreme Court of Justice provided good news for Argentina's debt - it ruled against two vulture funds that had requested the embargo of Argentine accounts to collect the bonds in their portfolios.

"The Supreme Court of Justice rejected the appeal from EM, a vulture fund controlled by billionaire Kenneth Dart, and from NML Capital. They wanted to collect a one-billion-dollar debt from Central Bank reserves that are deposited in the New York Federal Reserve.

"This is the first time the US Supreme Court of Justice has issued a ruling related to lawsuits filed by vulture funds against Argentina with Judge Thomas Griesa in New York. According to experts, the ruling sets a favorable precedent for the country.

"When the judges made the announcement, they made no comments as is common in a controversial case. This is a signal that the decision was unanimous.

"... The US Supreme Court's ruling was expected. As a matter of fact, the US Department of Justice has shown that it favors Argentina's position from the beginning."

- "The IMF downplays expectations about a deal between Argentina and the Paris Club"

Ana Baran, leading "Clarn's" Washington-based correspondent, writes (10/02) "Last weekend's prevailing optimism in Buenos Aires regarding a fast deal between Argentina and the Paris Club is at odds with IMF officers' skepticism and cautiousness.

"One of the IMF officers consulted by 'Clarn' said 'No negotiation with the IMF is as simple as that and the country should always take on commitments in order to reach some kind of agreement.'

"The source also downplayed the possibility of using the Reserve

Augmentation Line (RAL) as a tool: 'That is a credit line that does not exist yet, a project that has not been approved yet.'

"Tom Shannon, the head of US diplomacy for the region, sparked much optimism last Friday by saying that the White House will not ask Argentina to reach a formal agreement with the IMF to support its negotiations with the Paris Club. Shannon said: 'What we need is some kind of political understanding.' Secretary Condoleezza Rice also conveyed the same message during her meeting with Argentine FM Jorge Taiana.

"Another IMF member said 'The signal is positive, but to assume that Argentina has that arrangement in hand would be irresponsible.'"

- "Transcendental Korean summit"

Daily-of-record "La Nacisin" editorializes (10/02) "For the second time in history, the presidents of the two Koreas will meet today and the day after tomorrow in Pyongyang, the capital city of North Korea, which is mired in a Communist regime that does not allow citizens to look at the outside world..."

"... North and South Korea did not sign a peace treaty but an armistice - this means they are still at war. This situation prevents the expansion of South Korea and the integration of North Korea. Peace cannot be reached only between Kim and Roh. If they decide to reach a peace agreement, they will need the endorsement of the US and China, the two guarantors of the armistice.

"The summit is significant. North Korea, which George W. Bush included in the 'axis of evil,' has been a potential danger for the region until a short time ago..."

"... The summit itself is a high-risk bet. It is not an easy event because of Kim's enigmatic personality as well as interests at stake. Both Koreas, the US, Japan, China and Russia will need to

participate only to deactivate the nuclear program. Bush recently said at APEC that the peace accord will only be successful once the North Korean government 'gets rid of its armament programs.'

"This will hardly be achieved in the second summit between the two Koreas in over fifty years, but at least they will take one more step toward reconciliation that is not only political but also economic (due to the South's investments in the North) and humanitarian (due to North Korea's unsatisfied needs).

"Under these circumstances, everything that contributes to reunification will truly be a tribute to a peaceful world."

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